

## Early Day Motion opposing new Off-Payroll Tax tabled in Parliament



UK Parliament

Early Day Motions

House of Commons

**IR35 OFF-PAYROLL TAX EXTENSION TO PRIVATE SECTOR**

EDM #2379

Tabled 13 May 2019  
2017-19 Session



An Early Day Motion (EDM) has been tabled calling for Government to reconsider plans to extend the Off-Payroll Tax to the private sector.

The EDM is the latest indicator of growing Parliamentary opposition to the draconian proposals, which would add an initial 14.3% to the cost of engaging contractors for hiring firms, and risks forcing thousands of contractors into false employment.

“Following on from [the debate in Westminster](#) last month, this is another sign that MPs are genuinely getting behind the contract sector in its fight against the Off-Payroll rules,” comments ContractorCalculator CEO Dave Chaplin.

“However, this is no time for contractors to rest on their laurels. The majority of MPs who our campaigners have spoken to have been supportive of the cause. These same campaigners need to ensure that this support from MPs translates into EDM signatures.”

### What does the EDM say?

Tabled by Ged Killen, Labour MP for Rutherglen and Hamilton West, the EDM flags up several issues with, and threats posed by, the proposals. These include:

- Damage to the UK's flexible workforce and economy
- The false employment risk for contractors – at a cost of roughly 30% of their income
- Spiralling business project costs and limited access to key skills
- Inadequacies with HMRC's Check Employment Status for Tax (CEST) tool
- The threat of unlawful 'blanket assessments' resulting from CEST's shortcomings

The EDM closes by calling on Government to abandon the Off-Payroll proposals if it is unable to commit resources offering sufficient support to private sector companies tasked with implementing the rules.

“The fallout from what is effectively a stealth tax on the engagement of self-employed workers has been completely misrepresented by HMRC and the Treasury,” says Chaplin. “We implore MPs from all parties to sign the motion and write to the Treasury, calling on them to instead explore other ways in which the tax system can better support and recognise contractors and freelancers.”

## MPs urged to lend contractor backing to avoid Loan Charge repeat

The contract sector has already received considerable backing from Parliament in the form of opposition to the 2019 Loan Charge. 154 MPs signed the [EDM opposing the Loan Charge](#), tabled last year, which resulted in a heavily attended House of Commons debate.

Given the relation between the two items of legislation - the Loan Charge retrospectively tackles arrangements entered into by individuals who were seeking to avoid breaking IR35 rules following its inception - Chaplin is hoping for a response of similar proportions from MPs:

“The Loan Charge has rightfully been subject to staunch opposition within Parliament. MPs objecting to it will be well aware that, for many, the root cause of engagement in the targeted schemes was IR35.

“20 years later, Government is attempting to introduce further punitive measures in the form of an Off-Payroll Tax, which will again encourage contingent workers to engage in questionable schemes to avoid excessive taxation. MPs would be wise to recognise this, sign the EDM, and help prevent a repeat of what we are currently witnessing.”

### Contractors: Join the Stop the Off-Payroll Tax Campaign

Please join the campaign to [stop the off-payroll tax](#).

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